



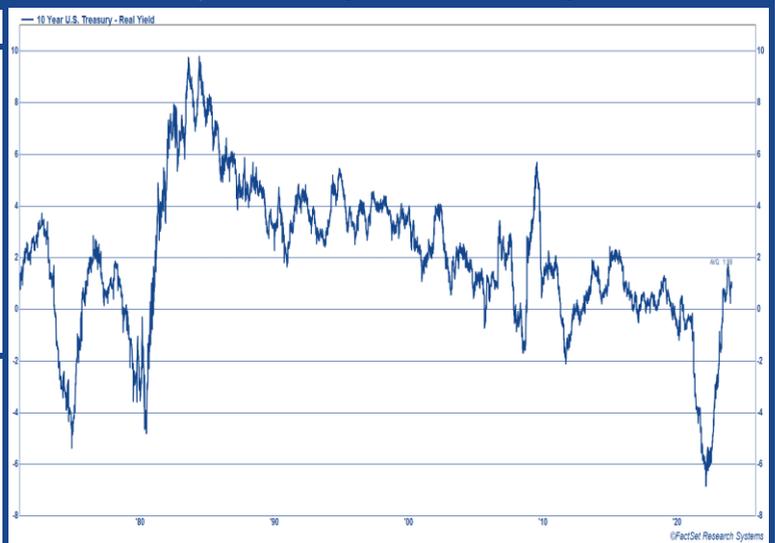
Economic & Market Commentary

Stocks finished mixed last week as the euphoria surrounding AI took a breather. Bond yields pushed lower on encouraging inflation data, signs the labor market continues to slowly cool, and indications from the Federal Reserve they will be cutting rates later this year. While February monthly payrolls came in at 275,000 ahead of the consensus 180,000, January saw a big 124,000 downward revision. The unemployment rate ticked up to 3.9%, while average hourly earnings came in cooler than expected and prior month was also revised down. Economist reactions kept with the "goldilocks" narrative, given that jobs growth was holding up while wages were cooling. Additionally, December's job openings and turnovers (JOLTS report) came in largely as expected with hires and separations little changed compared to the prior month. Finally, initial weekly jobless claims of 218,000 was largely in line and unchanged from last week. No surprises out of Federal Reserve Chairman Jerome Powell's congressional testimony. Powell told Congress the Fed is likely to ease at some point this year but needs more confidence before doing so. He noted the Fed is nearly confident enough on inflation to begin cutting. However, other Fed's officials continue to lean hawkish, noting risks around cutting too early and remain willing to hike if needed. Fed fund futures currently show a 73.2% probability of the first-rate cut in June and a 22.5% outside chance of a May rate cut. February's ISM Business Activity survey came in slightly lower than expected but the big news was that prices paid declined from the prior month while new orders accelerated, with survey respondents noting positive sentiment toward near-term business environment. The focus this week will be on inflation as the February Consumer Price Index (CPI) will be released. Consensus calls for monthly headline and core inflation to rise +0.4% and +0.3% respectively, and over the last twelve months +3.1% and +3.7%.

Index Total Returns - March 8, 2024

	1-Wk	YTD	1-Yr
S&P 500	-0.23	7.73	30.43
NASDAQ	-1.15	7.31	40.09
S&P 400	1.48	6.40	16.11
MSCI-Developed	2.47	5.78	17.85
Dow Jones	-0.85	3.21	20.64
Russell 2000	0.34	2.97	12.59
MSCI-Emerging	1.24	1.51	8.88
Barclay's U.S. Bond Index			
High Yield	0.55	1.02	11.98
5-year Muni	0.28	0.03	4.18
Municipal	0.40	0.03	5.70
Int. Gov. Credit	0.48	0.00	5.75
Aggregate	0.81	-0.50	5.11

10-Year Treasury Real Yield (Yield less Inflation)



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.93	4.94	5.31
U.S. 2-Yr	4.48	4.54	5.06
U.S. 3-Yr	4.25	4.33	4.74
U.S. 5-Yr	4.05	4.17	4.34
U.S. 10-Yr	4.08	4.18	3.98
U.S. 30-Yr	4.26	4.33	3.87

S&P 500 Sector Total Returns - March 8, 2024

Sector	1-Wk	YTD	1-Yr
Info Tech	-1.07	11.27	55.73
Communication Services	-0.64	10.86	55.02
Financials	0.84	8.01	18.53
Health Care	0.08	7.45	17.95
Industrials	0.66	7.37	21.67
Energy	1.25	5.34	7.27
Consumer Staples	0.95	4.84	8.86
Materials	1.63	4.41	11.34
Consumer Discretionary	-2.53	2.63	32.10
Utilities	3.31	0.63	-0.07
Real Estate	1.70	0.34	9.10

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.18	3.23	3.31
U.S. AA	3.19	3.25	3.43
U.S. A	3.64	3.71	3.95
U.S. Baa	4.27	4.33	4.54
U.S. Municipal	3.35	3.41	3.61
Michigan	3.50	3.57	3.74

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.63	18.00	1.34
S&P 400 - Mid Cap	15.77	15.54	1.40
S&P 600 - Small Cap	14.45	15.18	1.76